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SUBJECT: IRISH PRIME MINISTER BEATS BACK VOTE OF NO CONFIDENCE, BUT
CORRUPTION INVESTIGATION CONTINUES

REF: (A) DUBLIN 428; (B) DUBLIN 373; (C) 06 DUBLIN 1119

¶1. (SBU) Summary: During September, the Mahon Tribunal continued to investigate allegations that Irish Prime Minister Bertie Ahern was given cash in return for favors in the early 1990s - grilling him during three days of hearings. Political opponents, scenting blood, introduced a vote of no confidence against him in the Parliament on September 26. While few believe that Ahern took bribes for personal gain and he easily beat back the vote of no confidence, he has not put these allegations of corruption behind him - the Tribunal continues to deliberate. End summary.

¶2. (U) Persistent allegations of irregular financial affairs in the early 1990s, which have publicly dogged Irish Prime Minister (Taoiseach) Bertie Ahern for more than a year (Reftels), flared into the public spotlight again in September. The Mahon Tribunal, created to inquire into allegations of corruption in the granting planning permission while Ahern was Minister for Finance, resumed sitting on May 28. (The Tribunal judges had suspended hearings in the run-up to the May 2007 national elections, which Ahern and his Fianna Fail party handily won (Ref A).)

¶3. (U) The Mahon Tribunal is specifically investigating claims by a property developer that Ahern was given cash in return for his support for the development of a Dublin shopping centre - a claim Ahern denies. Tribunal Lawyers have questioned Ahern on cash deposits into his accounts (and to those of his then partner Celia Larkin) totaling more than 180,000 Irish pounds in 1994 and 1995. Ahern, who spent a total of 16 hours over three days in September appearing before the Tribunal, says the money came from savings and goodwill loans during a marital separation. Some partisan observers, however, allege that Ahern failed to give a full and frank accounting of his financial dealings during the period and claim his evidence was contradictory. The Tribunal, which continues its investigation, has the right to recall Ahern at a future date. (Note: John Bruton, EU Ambassador to the U.S., who was an opposition Fine Gael leader during the period in question, is due to appear before the Tribunal on October 18.)

¶4. (U) Prompted by the allegations of corruption, Fine Gael, the largest opposition party, tabled a motion of no confidence in Ahern in the Parliament (Dail Eireann) on September 26. Ahern, supported by his Fianna Fail party and coalition partners (the Green Party and the Progressive Democrats) easily beat back the vote, 81 to 76.

¶5. (SBU) Comment: Almost no one believes that Ahern took bribes for personal gain; his frugal lifestyle is apparent to all. Nonetheless, political opponents scent blood and continue to highlight alleged inconsistencies in his testimony in the hopes of damaging his political credibility. Though Ahern easily overcame the vote of no confidence, he is not out of the woods. Allegations of corruption are certain to be raised again in coming months. End comment.
FOLEY